

Message Text

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PAGE 01 THE HA 02404 070806Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 PRS-01 PA-01 L-03 H-01 /087 W
-----072059Z 068289 /46

R 061303Z MAY 77

FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 0442
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
USMISSION EC BRUSSELS
AMEMBASSY LONDON
USMISSION OECD PARIS

LIMITED OFFICIAL USE THE HAGUE 2404

DEPT PLS PASS TREASURY AND FRB

E.O. 11652: N/A
TAGS: EFIN, NL
SUBJ: CENTRAL BANK CUTS DISCOUNT RATE

REF: THE HAGUE 2014

1. NETHERLANDS (CENTRAL) BANK HAS CUT DISCOUNT RATE FOR
SECOND TIME IN LESS THAN THREE WEEKS. EFFECTIVE MAY 6
RATE IS REDUCED ONE PERCENTAGE POINT TO 3.5 PERCENT.
RATES FOR PROMISSORY NOTES AND SECURED LOANS WERE REDUCED
IN PARALLEL TO 4.5 AND FOUR PERCENT RESPECTIVELY. LAST
ADJUSTMENT WAS APRIL 18.

2. COMMENT: REDUCTION WAS AGAIN AIMED AT REDUCING
UPWARD PRESSURE ON GUILDER. MOVE HAD BEEN ANTICIPATED BY
FINANCIAL MARKETS WHICH CONSIDERED HALF POINT ADJUSTMENT
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OF APRIL 18 INADEQUATE. TIMING SHOULD DISCOURAGE
FINANCIAL COMMUNITY FROM MOVING INTO SPECULATIVE
POSITIONS PRIOR TO WEEKEND. FINANCE MINISTRY
ATTRIBUTES CURRENT D-MARK--GUILDER TENSION TO
EXPECTATION THAT FRG WILL COME UNDER HEAVY PRESSURE
AT LONDON SUMMIT TO REFLATE. IT EXPECTS PROBLEM TO
EVAPORATE AFTER SUMMIT. FINANCE MINISTRY REMAINS

OPPOSED TO ANY REVALUATION OF GUILDER WITHIN SNAKE.
BRONW

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANKS, AMENDMENTS, LOANS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 06-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977THEHA02404
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770161-0951
Format: TEL
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770583/aaaactuy.tel
Line Count: 64
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 13a70799-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 THE HAGUE 2014
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2611036
Secure: OPEN
Status: NATIVE
Subject: CENTRAL BANK CUTS DISCOUNT RATE
TAGS: EFIN, NL, NETHERLANDS CENTRAL BANK
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/13a70799-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
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